

FISCAL MEMORANDUM

HB 2283 – SB 2262

May 3, 2007

SUMMARY OF AMENDMENT (007838): Deletes all language of the original bill. Establishes the “Tennessee Education Lottery Scholarship Free Community College Program” to provide scholarships to cover the cost of maintenance fees and other mandatory fees and which shall be in lieu of any HOPE scholarship for which the student would otherwise be eligible until attainment of an associate degree.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Increases the expenditure from lottery proceeds earmarked for scholarships and grants by \$53,000 in FY07-08 and by \$106,000 in FY08-09.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Increases the expenditure from lottery proceeds earmarked for scholarships and grants by \$4,993,000 in FY07-08 and by \$6,988,000 in FY08-09.

There is \$10,000,000 included in the Governor’s FY07-08 budget to fund a community college tuition waiver program from recurring lottery for education revenues to pay 100% of tuition and fees to high school graduates who score a 19 on the ACT composite, the ACT reading component, and the ACT math component and enter college immediately after high school.

Assumptions applied to amendment:

- An estimated 1,884 eligible students could receive the free community college lottery scholarship at a cost of \$4,993,000 the first year.
- Second year costs are estimated to be \$6,988,000 based on an estimated 2,637 eligible recipients.
- This estimate is based on each student receiving an average scholarship for tuition and fees at a two-year postsecondary institution of \$2,650.
- This estimate further assumes that an eligible student would elect to receive the free community college lottery scholarship in lieu of any other HOPE scholarship award for which they would otherwise be eligible to receive.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable, and "W." in the middle.

James W. White, Executive Director

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